

Ministerial Exemptions Under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009

In accordance with section 157(6)(b) of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009, the Associate Minister of Justice gave notice on 17 December 2022 that he has granted the following exemption from the Act:

Ministerial Exemption: Spark Foundation in relation to their online platform Givealittle

Exempting the Spark Foundation in respect of its Donee Accounts on the online Givealittle platform, from the following provisions of the Act:

- a. Sections 10–29, 31 and 37 inclusive in respect of:
- b. Donees, which are schools administered by the Ministry of Education or charities with tax donee status, where:
 - i. the total value of money paid to the Donee in any consecutive 12-month period is less than \$10,000; and
 - ii. the cause in relation to which the Donee is raising funds has no connection with any country which is high risk from a money laundering or terrorist financing (ML/TF) perspective. This must be determined in accordance with the Countries Assessment Guideline 2012 published by the AML/CFT supervisors; or
- c. in respect of other Donees, the total value of money paid to the Donee in any consecutive 12-month period is less than \$1,000.

This exemption is subject to the following conditions:

- a. The Spark Foundation must identify, monitor and conduct customer due diligence in compliance with the AML/CFT Act on any Donee that does not meet the criteria set out in paragraph (a) above or exceeds the specified threshold on the Givealittle platform as set out in paragraph (b) above;
- b. The donations aggregated in the Donee Account must be paid into an account held at a New Zealand financial institution; and
- c. The entity granted the exemption must inform the Ministry of Justice of any changes that may affect the exemption and/or conditions imposed by this written instrument within 14 days from when the change affecting the exemption occurs.

This exemption has been granted for the following reasons:

- a. The proposed conditions attached to the Ministerial exemption mitigate the overall ML/TF risk to a low level;
- b. Spark Foundation's online platform Givealittle has internal mechanisms in place to flag transactions exceeding certain thresholds;

- c. The Spark Foundation further has existing checks in place for suspicious activities across the site and donations, which further lower the risk of ML/TF; and
- d. The Spark Foundation is a non-profit organisation and provides Givealittle as a community service to assist members of the public with fundraising activities. Granting this exemption is therefore unlikely to affect third-party reporting entities.

Due to the low money laundering and terrorism financing risk associated with the Givealittle platform, and the significant compliance costs to the Spark Foundation that would arise from not granting this exemption, I consider that any costs of requiring compliance with the Act are not justified by the ML/TF risk associated with the Givealittle platform.

This exemption comes into force on 14 November 2019.

This exemption will expire on 31 October 2024.

Any person wishing to provide comment on this notice should contact the Terrorism and Law Enforcement Stewardship Team at the Ministry of Justice by emailing amlcft.exemptions@justice.govt.nz.